deputation. The matter is still under examination in the Settlement Commission in consultation with the Department of personnel. In the circumstances the question of violating any Rules of shielding any errant employees does not arise at present.

Problems faced by Handloom Industries

6438. SHRI PRAGADA KOTAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether a representation dated 28.1.94 from a member of Rajya Sabha has been received by the Ministry of Finance, and what are the requests made in the representation; and

(b) the action taken or proposed to be taken to solve the problems of the handloom industry mentioned in the representation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) A letter dated 28th January, 1994 has been received from Shri Pragada Kotaiah, Member of Parliament containing certain suggestions relating to handloom industry. The suggestions contained in the representation, inter-alia, relate to channeling credit to the primary weavers cooperative through the branches of the nationalised banks instead of through District Central Co-operative Banks, identifying ways of augmenting credit to handloom cloth producers in the private sector through the Small Industrial Development Bank of India (SIDBI). and reduction of excise and other duties on dyes and chemicals. These suggestions are being examined.

Misuse of Public Funds By Financial Institution

6439. SHRI VIRENDRA KATARIA: Will the Minister of FINANCE be pleased to state:

(a) whether Industrial Development Bank of India provides assistance to the private sector units by way of unsecured loan;

(b) if so, how;

(c) if not, how loans of crores of rupees to spinning units in Rajasthan have disbursed without any security by way of charge on assets;

(d) what steps Government are taking to recover such public funds disbursed by the said institution; and

(e) the steps being taken to prevent misuse of such public funds by financial institutions/banks in the light of recent scam?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (e) The Industrial Development Bank of India (IDBI) has reported that the term loan provided by the all India Financial Institutions are usually secured by way of equitable mortgage/ hypothecation of fixed assets /movable assets acquired/to be acquired by industrial concerns as well as their existing assets, if any. Further, institution also take suitable personal and other guarantees wherever required for securing assistance. To facilitate implementation of projects in time, institutions sometimes, disburse part of the loan by way of interim/bridge loan pending creation of final stipulated security. The security in such cases is created in due course.

IDBI has further reported that with a view to deploy profitably its short-term surplus funds, IDBI have introduced on an experimental basis a scheme of unsecured short-term deposits in July, 1993 under which assistance from Rs. one crore to a maximum of Rs ten crore is provided to a well-run company in the form of unsecured short-term deposits for a period of six months to one year. The assistance is provided for meeting the requirement of margin money for working capital to the extent of not more than 25% of a company's gross working